

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,
as representative of
THE COMMONWEALTH OF PUERTO RICO *et al.*,
Debtors.¹

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,
as representative of
THE EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO,
Debtor.

**OBJECTION OF OFFICIAL COMMITTEE OF UNSECURED
CREDITORS TO CLAIMS ASERTED BY OAKTREE FUNDS² THAT HOLD BONDS
ISSUED BY EMPLOYEES RETIREMENT SYSTEM OF
GOVERNMENT OF PUERTO RICO**

¹ The Debtors in these title III cases, along with each Debtor's respective title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566(LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780) (Last Four Digits of Federal Tax ID: 3747).

² Oaktree Value Opportunities Fund Holdings, L.P., Oaktree Opportunities Fund IX Delaware, L.P., Oaktree Opportunities Fund IX (Parallel 2), L.P., Opps Culebra Holdings, L.P., Oaktree Opportunities Fund X Holdings (Delaware), L.P., Oaktree Opps X Holdco Ltd., and Oaktree-Forrest Multi-Strategy, LLC (Series B) (collectively, the "Oaktree Funds").

To the Honorable United States District Judge Laura Taylor Swain:

The Official Committee of Unsecured Creditors of all Title III Debtors, including the Commonwealth of Puerto Rico (the “Commonwealth”) and the Employees Retirement System of the Government of Puerto Rico (“ERS”) (the “Committee”), hereby files this objection (the “Objection”) to all claims asserted against ERS by the Oaktree Funds based on outstanding bonds issued by ERS in 2008 (the “ERS Bonds”). In support of this Objection, the Committee, which is the only official committee appointed in the ERS Title III case, respectfully states as follows:

OBJECTION

1. Proofs of claim have been filed in the ERS Title III case by Oaktree Value Opportunities Fund Holdings, L.P., Oaktree Opportunities Fund IX Delaware, L.P., Oaktree Opportunities Fund IX (Parallel 2), L.P., Opps Culebra Holdings, L.P., Oaktree Opportunities Fund X Holdings (Delaware), L.P., Oaktree Opps X Holdo Ltd., and Oaktree-Forrest Multi-Strategy, LLC (Series B) (collectively, the “Oaktree Funds”) based on outstanding ERS Bonds (the “Oaktree Claims”).

2. The Committee previously filed an *Omnibus Objection of Official Committee of Unsecured Creditors to Claims Asserted by Holders of Bonds Issued by Employees Retirement System of Government of Puerto Rico* [Case No. 17-3283 Docket No. 5580, Case No. 17-3566 Docket No. 381] (the “ERS Bonds Objection”) against all claims asserted against ERS based on ERS Bonds, except the Oaktree Claims.

3. For all the reasons stated in the ERS Bonds Objection, the Committee hereby objects to the Oaktree Claims.

4. Further, the Committee hereby requests the same remedies requested in the ERS Bonds Objection with regards to the Oaktree Claims.

NOTICE

5. Notice of this Objection has been provided to the following entities, or their counsel, if known: (i) the U.S. Trustee; (ii) the Office of the United States Attorney for the District of Puerto Rico; (iii) the Puerto Rico Fiscal Agency and Financial Advisory Authority; (iv) the Official Committee of Retirees; (v) the insurers of the bonds issued or guaranteed by the Debtors; (vi) counsel to certain ad hoc groups of holders of bonds issued or guaranteed by the Debtors; (vii) holders of ERS Bonds who are parties to any group that has filed a statement under Bankruptcy Rule 2019; (viii) the holders of ERS Bonds identified on Appendix I to this Objection;³ (ix) The Bank of New York Mellon, N.A., as Fiscal Agent for the ERS Bonds; (x) DTC; and (xi) all parties that have filed a notice of appearance in the above-captioned Title III cases.

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³ According to the claims registry maintained by Prime Clerk, approximately 900 proofs of claim have been filed asserting bond-based claims against ERS. Many of these claims are based on bonds other than ERS Bonds. However, given the sheer volume of claims, it would be cost-prohibitive to review and analyze the approximately 900 proofs of claim to determine which ones, in fact, assert claims based on holdings of ERS Bonds. The Committee, therefore, limited its review to proofs of claim alleging more than \$5 million of bond debt.

WHEREFORE, the Committee respectfully requests that the Court enter an order substantially in the form attached to the ERS Bonds Objection with regards to the Oaktree Claims granting the relief requested herein and granting such other and further relief as the Court deems just and proper.

Dated: March 12, 2019

/s/ Juan J. Casillas Ayala .

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Local Counsel to Official Committee of Unsecured Creditors for all Title III Debtors (other than COFINA)